

## Recall . . . and warning!

National Highway Traffic Safety Administration (NHTSA) has opened a formal defect investigation of all 1970 through 1977 Ford Motor Co. passenger cars and light trucks equipped with "flexfans" because of the possibility that the blades on the engine cooling fans could break off, resulting in vehicle damage and possible personal injury.

NHTSA warns that "if such breakage occurs while the vehicle is in motion, vehicle damage such as dented hoods and severed hoses could result. The danger, however, is greatest for service personnel and vehicle owners who perform their own maintenance, since blade breakage while the hood is open and the engine is running, can result in serious injuries to persons working on the engine or standing nearby." In fact, NHTSA has now received a report that an auto mechanic died when an engine fan blade flew off and struck him in the chest as he was working on a 1972 Ford Torino.

NHTSA does not presently know how many cars and trucks are equipped with "flex-fans," but over 6,200,000 fans of this type were shipped to Ford assembly plants for use on 1970-77 Ford passenger cars.

In the meantime, Ford Motor Co. is recalling 400,000 1972 model Lincoln, Ford Torino and Mercury Montego cars equipped with flexfans. These are air conditioned cars and have 302, 351 and 400 CID (cubic inch displacement) engines. Beginning June 22, Ford will notify owners of the affected vehicles by mail (as required by law) and at the same time will supply parts to dealers to replace the defective fans.

What to do: NHTSA strongly suggests that persons who *must* work on their engines check for cracks in the fan blade *without* starting the engine and warns that a broken fan blade on a running engine can be propelled straight up, down or to either side of the rotating fan, so all parts of the body should be kept away from those areas. Even these precautions, however, are no absolute guarantee of safety, for the crack in the fan blade may not be visible. Further, even if a person is standing out of the direct line of the path of the broken blade, it may bounce off another component of the vehicle and ricochet in practically any direction. All owners who have experienced fan blade problems should report details in writing to Office of Defects Investigation, National Highway Traffic Safety Administration, Washington, DC 20590. Problems may also be reported to the NHTSA Auto Safety Hotline by calling, toll-free, 800-424-9393. Washington, DC residents should call 426-0123.

# consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE  
Office of Consumer Affairs

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## White House consumer agency conference

President Carter and Esther Peterson, Special Assistant to the President for Consumer Affairs, met at the White House June 1 with 200 supporters of the proposed agency for consumer protection. The conferees included Congressmen, and leaders from business, labor, consumer groups and government.

Purpose of the conference was to clarify the intent and functions of the Agency for Consumer Advocacy (ACA) [See CONSUMER NEWS page 2 of this issue] and to announce the formation of a coalition of ACA supporters that will attempt to improve consumer understanding of the proposed agency.

President Carter said that "the action of those who oppose the bill is ill-advised," and that he was "very grateful that more than 100 major businesses in this country have seen the advisability of supporting this legislation." In speaking of these businesses, the President said, "they want to be sure that their own customers are protected and they are not afraid of competition in our free enterprise system."

In discussing the need for ACA, the President said Federal regulatory agencies were established to protect consumers, but with the passage of time, and in the absence of intense focusing by consumers, those regulatory agencies often became "protectors of, and sometimes even the servants of, the industries that were supposed to have been regulated."

And, the President said that quite often agency decisions are made without public understanding of "the consequences of the technicalities," and that because Congress and the President "have such a widely diverse list of responsibilities in any given day," it becomes difficult for them to "focus on a technical ruling that might result in the people being cheated."

For these reasons, the President said, "we need some small group, just to watch and to listen and to discuss and to speak," on behalf of consumers.

President Carter said this proposal "is not earth-shaking. The proposal is for a tiny agency just to be the focal point for equity and fairness."

Such an agency, the President said, should not require an increase in the bureaucracy, but could be formed by a consolidation of existing consumer offices now scattered throughout the Federal Government, and that "the total cost could be saved through reorganization. But even if it couldn't," the President said, "the cost of the agency for consumer protection equals the amount of money that **Defense Dept. or Health, Education and Welfare Dept. (HEW)** spends in one hour. So it is a tiny amount involved, but it is very, very important."

The President urged supporters to "act aggressively during the coming weeks because inaction to date has enabled "misinformation put forward by special interest groups" to sway public attitudes.

## The proposed Agency for Consumer Advocacy (ACA)

In order to avoid misconceptions about the proposed consumer agency, Esther Peterson, Special Assistant to the President for Consumer Affairs, presented the following chart at the recent White House conference for consumer agency supporters. According to Mrs. Peterson, the chart outlines what ACA is . . . and what it is not.

### ACA IS NOT:

Another example of *uncontrolled government growth*

A "*super regulatory*" agency

Another *layer* of bureaucracy

A vehicle created to *harass* business

The holder of an unlimited "*fishing license*" to question business and other government agencies

A vehicle to produce more bureaucratic *bottlenecks*

The *opponent* of business before government regulators

A *judge* in Federal agency proceedings

A *unique* experiment

*Just another* Federal agency

### ACA IS:

A *small* agency created by *consolidation* and reorganization, subject to a "*sunset*" provision

An *advocate* of consumer interests in *some* Federal agency and court proceedings

An *enemy* of waste, sluggishness and duplication by regulators

Merely a *consumer voice* where there would otherwise be none

The holder of a *limited* right to obtain *non-burdensome, relevant* information

Primarily concerned with obtaining *action—not inaction*

An *ally* of business where business and consumer interests coincide

An *advocate* for consumer interests

A *counsel* or *ombudsman* that *has worked* in other countries and on an ad hoc basis here.

A means of *restoring public confidence* where polls show *low confidence* in the regulatory process.

## S-p-r-e-a-d-i-n-g the word

California State Department of Consumer Affairs has published a 69-page *Consumer Resource Guide: A Selected Bibliography* that lists over 1,000 entries, including books, pamphlets, audiovisual materials and other teaching resources. Bibliography is arranged by subject matter, contains price and ordering information, as well as a directory of publishers. To order, send \$1.50 to Publications Section, PO Box 1015, North Highlands, CA 95660.

Community Nutrition Institute (CNI), in cooperation with Food Marketing Institute and Family Circle Magazine, is sponsoring a 2-day workshop to explore how nutrition relates to the American food system in the community, the supermarket, the factory and the farm. Conference will be held July 28 and 29 at 9:00 a.m. at the L'Enfant Plaza Hotel in Washington, DC. Tuition is \$75. A limited number of scholarships are available for representatives of consumer groups. For more details on the conference and on registering, write or call Ellen Haas or Karen Brown of CNI at 1910 K St., NW, Washington, DC 20006; telephone 202-833-1730.

## Fireworks

This year will mark the first Fourth of July that **Consumer Product Safety Commission's** (CPSC) ban on many types of fireworks will be in effect, and as a result most Americans will be using quieter, safer and better labeled fireworks.

These regulations have a long history. In April 1972, **Food and Drug Administration** (FDA), which enforced the Federal Hazardous Substances Act at that time, first proposed to ban nearly all fireworks from interstate commerce—at the request of the National Society for the Prevention of Blindness. A later proposal in May 1973 included requirements that many fireworks be redesigned to meet safety standards. (Dangerously explosive fireworks, such as cherry bombs and M-80 salutes, were already illegal.)

Eventually CPSC decided to ban all firecrackers and many other types of fireworks that were considered so dangerous that no amount of cautionary labeling would be adequate. During the rulemaking procedure CPSC received 350 comments from consumers and consumer groups as well as organizations concerned with fires and blindness. Most of those comments recommended banning fireworks for all but public display purposes. Others thought banning firecrackers infringed on the religious freedom of certain Hawaiian Americans who used firecrackers in religious ceremonies.

The ban was scheduled to take effect before the Fourth of July, 1974, but it was delayed because several American and foreign fireworks manufacturers objected to the regulations, and CPSC was obliged by law to hold public hearings on the issues. Hearings were held, but the matter of banning fireworks was still pending on the Fourth of July, 1975.

(Continued on page 4)

## Take note . . . the \$2 bill

**Treasury Dept.** reintroduced the \$2 bill in April 1976, primarily in response to the growing public use of lower denomination currency notes. The ultimate objective is to displace an equal number of \$1 bills in circulation, thereby reducing note production at an annual savings of \$5 to \$6 million. Treasury believes there are consumer benefits involved as well because fewer pieces of currency are needed.

Treasury studies indicate that the critical link in the national distribution network for small denomination currency notes is the retail merchant. Since individuals typically obtain and use most of their small denomination notes in retail cash transactions (about 75% of which involve amounts of less than one dollar), the key for successfully circulating the new \$2 bill is for retailers to temper their habitual reliance on singles and use \$2 bills as they do bills of other denominations. Individual consumers tend to be quite receptive to the new bill when it is included in the regular changemaking process, and it is hoped that most commercial banks will readily supply their retail customers with \$2 bills once they are requested to do so in amounts that justify stocking them in their vaults. Neither Treasury nor the **Federal Reserve System (FRS)**, however, is in the position of forcing the distribution or use of any particular denomination of currency. Rather, the displacement process will be voluntary and gradual extending over about a 5-year period.

Although a frequently expressed objection is that no space exists in cash registers for the new note, both the National Cash Register Co. and Sweda International—who together account for 95% of the cash register market in the US—have said that their equipment can accommodate the added \$2 denomination as easily in this country as it does in Canada where a \$2 bill has been used successfully for many years. The obstacle, where it exists, seems to be one of customary uses of the extra space for such items as high denomination notes, checks, food stamps, etc., rather than the lack of space.

As to the matter of confusing the \$2 bill with other denominations, Treasury believes the small degree of confusion which may exist currently will quickly dissolve with the experience of regularly using the bill. Most individuals learn money handling at a very early age, and it is thought the \$2 bill will be easily integrated into existing patterns of cash use.

There are currently about 218 million \$2 bills in circulation, with another 309 million notes available in bank and Treasury depositories around the country. The \$2 bill is a permanent US currency denomination, and will continue to be available for consumer and commercial use. Currency of all denominations now in circulation approximates 7 billion notes with a total value of \$81 billion.

## Cutting hospital costs

The **Health Resources Administration (HRA)** reports that US hospitals and nursing homes could reduce costs by as much as \$532 million by the end of 1980 if those facilities would adopt basic energy conservation measures. HRA says this would not interfere with patient care and could be accomplished without significant capital expenditures by the facilities.

The measures are explained in 2 manuals on energy conservation published by HEW which are being distributed to health care facilities. The manuals include tips for improving insulation, recycling air and reducing unnecessarily high water temperatures.

HRA says that if these and other energy saving methods were employed nationally an estimated \$330 million could have been trimmed from hospital and nursing home operating costs in 1976. Some hospitals employing energy conservation measures, HRA says, have been able to reduce energy use by as much as 33%. (For more information on cutting hospital costs see **CONSUMER NEWS: May 15.**)

## History of the \$2 bill

The \$2 denomination enjoys a rich tradition in American history. It first originated on June 25, 1776, when the Continental Congress authorized issuance of \$2 denominations, in "bills of credit for the defense of America." Under this authority, 49,000 bills of the \$2 denomination were issued.

In 1928, the present size US note with the portrait of Thomas Jefferson, third US President and author of the Declaration of Independence, was issued.

The most recent printing of the \$2 denomination was the 1963-1963A series of US notes last printed in May 1965 and officially discontinued by **Treasury Dept.** on August 10, 1966. At that time, lack of public demand was cited as the primary reason for discontinuance.

## FTC action

### HOME STUDY COURSES

**Federal Trade Commission (FTC)**, by unanimous vote, has issued a complaint against the Bell & Howell Co. and its subsidiary, Bell & Howell Schools, Inc., alleging unfair and deceptive practices in connection with the school's home study courses. A notice issued with the complaint indicates that FTC may seek full or partial refunds for affected students.

FTC issues a complaint when it has "reason to believe" that the law has been violated and that a proceeding is in the public interest. Such action simply marks the beginning of a formal process in which allegations will be ruled upon after a public hearing.

FTC's complaint alleges that Bell & Howell made false and misleading claims in its advertising and sales presentations about job opportunities, the earnings potential of graduates, enrollment selectivity, and the nature of its home study courses. FTC also alleges that Bell & Howell failed to tell prospective students what qualifications were necessary to successfully complete the courses, and that financial obligations were misrepresented or were not fully explained.

Also, according to the complaint, Bell & Howell did not meet contractual obligations to enrolled students and misrepresented or inadequately explained the terms and conditions of veterans' educational benefits.

Bell & Howell Schools of Chicago, IL, sold home study courses in TV repair, electronics and accounting until January 1976.

## OCA comments

Below is a summary of a recent comment prepared by the **Office of Consumer Affairs (OCA)** which should be of interest to consumers, and which was submitted in response to a request for suggestions from **Internal Revenue Service (IRS)**. Copies of the entire comment may be obtained from **CONSUMER NEWS**, 621 Reporters Bldg., Washington, DC 20201.

### TAX FORMS

IRS requested comments and suggestions on how to improve tax forms and make them more understandable and easier to use, and OCA subsequently submitted a comment to IRS based in part on responses received from **CONSUMER NEWS** readers. [See **CONSUMER REGISTER** April 1.]

OCA received more than 50 comments and found that the most frequent complaints centered on computing the standard deduction and the general tax credit. OCA said "IRS should note these problem areas and make every effort to include the personal exemption, the general tax credit and the standard deduction in the tax table so that more taxpayers will have fewer computations to make."

Another common problem mentioned was the computation of the earned income credit. OCA referred to a study in which several law students were given IRS instructions on the earned income credit along with an example to compute. Only about one-half of the students were able to make the correct computations.

## Fireworks

(Continued from page 2)

On June 3, 1976, CPSC issued a final order on fireworks that included (1) permitting the sale of firecrackers containing no more than 50 milligrams of powder—the 2.22 cm ( $\frac{7}{8}$  inch) ladyfinger type; and (2) requiring that other common fireworks devices burn at least 3 seconds but no longer than 6 seconds. Also, CPSC did not grant a requested religious exemption for Americans of Chinese descent.

The final order as described above actually went into effect December 1976, but because of complex legal procedures and lengthy hearings, CPSC said the new regulations could not have been issued in time for the Fourth of July, 1976.

For more information on the fireworks regulations that *will* apply to the Fourth of July, 1977, call CPSC's toll-free hotline for a free copy of *Celebrate . . . But You'd Better Watch Out!* The number is 800-638-2666 (Maryland residents call 800-492-2937).

## Miss, Mrs. . . . or Ms

**Civil Service Commission (CSC)** is changing all of its personnel forms—including job application forms—to make "Ms" available to the increasing number of women who want to identify themselves that way. As present stocks are used up and forms are reprinted, the change will be incorporated in all CSC forms which require a title. In addition, CSC has told all Federal agencies under its jurisdiction to include Ms (in addition to Miss, Mrs. and Mr.) in their internal personnel forms.

Female Federal employees have had the option of using Ms and/or their maiden names in payroll and personnel records since November 1975 when CSC set up procedures for Federal agencies to use in officially changing the records of a woman's name and/or title upon request. This action was in response to a 1975 **Comptroller General's** decision (A-84336) which said a woman has the right to use her maiden name and/or the title Ms on government records regardless of marital status as long as she uses the same name consistently on all such records.

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